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# SENATE FINANCE COMMITTEE REPORT

DATE: 5/6/90

FURTHER:

DATE TURNED INTO OFFICE: 5/8/90

The Finance Committee considered CSHB 578 (Finance) am

"An Act creating a citizens' oversight council on oil and other hazardous substances; and authorizing funding of the council through the oil and hazardous substance release response fund."

and recommended:

replace with SCS CSHB 578 (FIN)  
 or adopt CS CSHB 578 (FIN)  
 attached amendment(s)  
 \_\_\_\_\_ letter of intent adopted

same title  
 new title  
 technical title change (HB only)

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to \_\_\_\_\_

**ATTACHES NEW FISCAL NOTE(S):**  
 Dept/Date:  
 fiscal note(s) LAA 236.7  
 \_\_\_\_\_  
 zero fiscal note(s) \_\_\_\_\_  
 \_\_\_\_\_  
 appropriation-no fiscal note

**APPROVES PREVIOUS:**  
 Dept/Date:  
 fiscal note(s) \_\_\_\_\_  
 \_\_\_\_\_  
 zero fiscal note(s) \_\_\_\_\_  
 \_\_\_\_\_

**SIGNING DO PASS:**  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 1. [Signature] No Rec.

**OTHER RECOMMENDATIONS:**  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 2. [Signature]

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
 Title: "An Act creating a citizen's oversight council on oil & other hazardous..."  
 Sponsor: H. Resources  
 Requestor: H. Finance

Affected Agency: Legislative Affairs Agency  
 BRU: Legislative Council  
 Components: Council & Subcommittees

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

| OPERATING              | FY91         | FY92         | FY93         | FY94         | FY95         | FY96         |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Personal Services      | 96.5         | 96.5         | 96.5         | 96.5         | 96.5         | 96.5         |
| Travel                 | 18.9         | 18.9         | 18.9         | 18.9         | 18.9         | 18.9         |
| Contractual            | 108.6        | 108.6        | 108.6        | 108.6        | 108.6        | 108.6        |
| Supplies               | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          |
| Equipment              | 10.7         | 0            | 0            | 0            | 0            | 0            |
| Land & Structures      |              |              |              |              |              |              |
| Grants, Claims         |              |              |              |              |              |              |
| Miscellaneous          |              |              |              |              |              |              |
| <b>TOTAL OPERATING</b> | <b>236.7</b> | <b>226.0</b> | <b>226.0</b> | <b>226.0</b> | <b>226.0</b> | <b>226.0</b> |

|         |   |   |   |   |   |   |
|---------|---|---|---|---|---|---|
| CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
|---------|---|---|---|---|---|---|

|         |   |   |   |   |   |   |
|---------|---|---|---|---|---|---|
| REVENUE | 0 | 0 | 0 | 0 | 0 | 0 |
|---------|---|---|---|---|---|---|

FUNDING: (THOUSANDS OF DOLLARS)

|              |              |              |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| General Fund |              |              |              |              |              |              |
| Federal Fund |              |              |              |              |              |              |
| Other        | 236.7        | 226.0        | 226.0        | 226.0        | 226.0        | 226.0        |
| <b>TOTAL</b> | <b>236.7</b> | <b>226.0</b> | <b>226.0</b> | <b>226.0</b> | <b>226.0</b> | <b>226.0</b> |

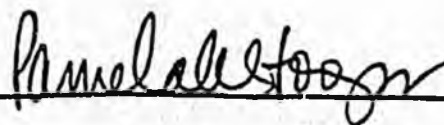
POSITIONS:

|           |   |   |   |   |   |   |
|-----------|---|---|---|---|---|---|
| Full-Time | 2 | 2 | 2 | 2 | 2 | 2 |
| Part-Time | 0 | 0 | 0 | 0 | 0 | 0 |
| Temporary | 0 | 0 | 0 | 0 | 0 | 0 |

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

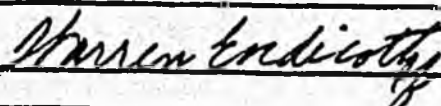
CSHB 578(Res) establishes a Citizen's Oversight Council on Oil and Other Hazardous Substances. Funding will be from the Oil & Hazardous Release Response Fund. The following is requested to adequately support the Council:

Prepared By: Pamela A. Stoops, Director  
 Division: Administrative Services



Phone: 465-3850  
 Date: 4/20/90

Approved By: Warren Endicott, Executive Director  
 Agency: Legislative Affairs Agency



Date: 4/20/90

DISTRIBUTION ( )  
 LEGISLATIVE FI  
 LEGISLATIVE SP

Changes in SCS CSHB 578 (Fin) have no fiscal impact. This fiscal note is appropriate. 5/8/90 ML

REQUESTOR  
 OFFICE OF MANAGEMENT & BUDGET  
 AGENCY (IES)

CONTINUATION OF FISCAL NOTE: <sup>SCS</sup> CSHB 578 (Res)

**PERSONAL SERVICES**

Staff is requested as follows to assist the Citizens Oversight Council on Oil & Other Hazardous Substances:

|                                    |          |  |      |
|------------------------------------|----------|--|------|
| Administrative Officer - Range 21A |          |  |      |
| \$3,831 x 12 months =              | \$45,972 |  |      |
| \$45,972 x 36% benefits =          | \$16,550 |  |      |
|                                    | \$62,522 |  | 62.5 |
| Secretary - Range 12A              |          |  |      |
| \$2,082 x 12 months =              | \$24,984 |  |      |
| \$24,984 x 36% benefits =          | \$8,994  |  |      |
|                                    | \$33,978 |  | 34.0 |
|                                    |          |  | 96.5 |

**TRAVEL**

It is anticipated there will be 6 meetings of the Council.

|  |          |  |      |
|--|----------|--|------|
| 6 meetings x 5 members at 3 days each          |          |  |      |
| airfare - 6 meetings x 5 members = 30 airfares |          |  |      |
| 30 airfares x \$390 =                          | \$11,700 |  |      |
| per diem - 6 meetings x 5 members = 30         |          |  |      |
| 30 x 3 days per diem = 90                      |          |  |      |
| 90 x \$80 =                                    | \$7,200  |  |      |
|  | \$18,900 |  | 18.9 |

**CONTRACTUAL**

|  |      |
|--|------|
| Professional services for contracts to investigate compliance with environmental laws and regulations relating to production, transport and storage of oil and other hazardous substances - \$75,000 | 75.0 |
|--|------|

|  |      |
|--|------|
| Lease office space - 1,000 sq. ft x \$2.00 sq. ft. = \$2,000; \$2,000 x 12 months = \$24,000 | 24.0 |
|--|------|

|  |     |
|--|-----|
| Phones & postage - \$800 a month x 12 months = \$9,600 | 9.6 |
|--|-----|

**SUPPLIES**

|   |     |
|---|-----|
| Office supplies - paper, stationery, etc. - \$2,000 | 2.0 |
|---|-----|

**EQUIPMENT**

|  |      |
|--|------|
| Initial office setup - 2 desks, 2 chairs, 1 computer, 1 printer, phones, filing cabinets, bookcases - \$10,700 | 10.7 |
|--|------|

Original sponsor(s): Resources Committee

1 IN THE HOUSE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 578 ( *Fin* )

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating a citizens' oversight council on oil  
7 and other hazardous substances; and authorizing  
8 funding of the council through the oil and hazardous  
9 substance release response fund."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 \* Section 1. LEGISLATIVE FINDINGS. The legislature finds that

12 (1) a pervasive contributing factor to the Exxon Valdez disaster  
13 was the complacency of the oil industry and the federal and state agencies  
14 responsible for monitoring the operation of the Valdez oil terminal and oil  
15 tanker traffic in Valdez Arm and Prince William Sound;

16 (2) it is essential to involve local citizens to help ensure  
17 compliance with environmental laws and regulations relating to the produc-  
18 tion, transport, and storage of oil and other hazardous substances in order  
19 to overcome this complacency;

20 (3) a state oversight council will provide a valuable mechanism  
21 for citizen participation and an opportunity for citizens to express their  
22 concerns to the legislature and the governor about environmental safety in  
23 production, transport, and storage of oil and other hazardous substances.

24 \* Sec. 2. AS 24.20 is amended by adding new sections to read:

25 ARTICLE 4. CITIZENS' OVERSIGHT COUNCIL ON  
26 OIL AND OTHER HAZARDOUS SUBSTANCES.

27 Sec. 24.20.600. CITIZENS' OVERSIGHT COUNCIL ON OIL AND OTHER  
28 HAZARDOUS SUBSTANCES. (a) There is created in the legislature the  
29 Citizens' Oversight Council on Oil and Other Hazardous Substances.

1 The oversight council consists of five members appointed by the Alaska  
2 Legislative Council. The Alaska Legislative Council shall notify  
3 members of the public throughout the state that nominations for mem-  
4 bership are being sought. Members of the oversight council serve  
5 without compensation but are entitled to per diem and travel expenses  
6 authorized for boards and commissions under AS 39.20.180.

7 (b) The oversight council shall elect a chair and other officers  
8 that the oversight council finds necessary to carry out its respon-  
9 sibilities.

10 (c) Members of the oversight council serve staggered terms of  
11 four years and, upon expiration of their terms, continue to serve  
12 until their successors qualify and are appointed. A member may serve  
13 no more than two consecutive terms.

14 (d) A member of the oversight council may not work as an inde-  
15 pendent contractor for or be employed by a federal, state, or munici-  
16 pal agency directly or indirectly involved in the oversight or regu-  
17 lation of industries engaged in the production, transport, or storage  
18 of oil or other hazardous substances; be an elected official of the  
19 state or of a political subdivision; or work as an independent con-  
20 tractor for or be employed by a person engaged in the production,  
21 transport, or storage of oil or other hazardous substances. The  
22 Alaska Legislative Council shall appoint as members of the oversight  
23 council persons who have an interest in and commitment to preventing  
24 oil and hazardous substance releases in the state.

25 (e) The oversight council shall make a formal request to the  
26 Alaska Legislative Council for money it considers necessary for staff,  
27 per diem, travel, and contractual expenses. Money distributed to the  
28 oversight council is to be disbursed and accounted for under proce-  
29 dures required by the Legislative Affairs Agency. The chair of the

1 oversight council shall approve all expenditure documents.

2 Sec. 24.20.610. POWERS AND DUTIES OF THE OVERSIGHT COUNCIL. (a)

3 The oversight council shall

4 (1) determine whether state and federal agencies responsi-  
5 ble for the prevention of the release of oil and other hazardous  
6 substances, and for responding to releases, are carrying out their  
7 duties in these areas;

8 (2) recommend to the legislature, the governor, agencies of  
9 the federal government, and private entities appropriate policies and  
10 actions to prevent releases of oil and other hazardous substances;

11 (3) assist the legislature and the governor in the develop-  
12 ment of interstate compacts and policy recommendations to the federal  
13 government regarding the prevention of releases of oil and other  
14 hazardous substances;

15 (4) file an annual report with the legislature and the  
16 governor assessing the status of major areas of risk, the performance  
17 of state and federal regulatory agencies, and changes in the long-term  
18 options for improving environmental safety;

19 (5) request the attorney general to bring or request the  
20 attorney general to move to intervene in legal actions in order to  
21 ensure compliance with state laws and regulations regarding the re-  
22 lease of oil and other hazardous substances;

23 (6) make recommendations to the legislature, the governor,  
24 and the federal government on the creation, funding, and composition  
25 of regional or local advisory committees and on the relationship  
26 between the oversight council, local advisory committees, and other  
27 citizens' oversight groups on oil and other hazardous substances; and

28 (7) schedule regular meetings with local and regional  
29 advisory committees as they are created to make sure that they

1 complement each other and avoid overlap in oversight and advisory  
2 functions.

3 (b) The oversight council may

4 (1) hire an administrator and additional administrative  
5 staff, and enter into contracts for personal services that the over-  
6 sight council finds necessary to carry out its responsibilities under  
7 this section; all employees of the oversight council are in the exempt  
8 service under AS 39.25.110;

9 (2) subpoena witnesses, administer oaths, take testimony,  
10 and require the production for examination and copying of books or  
11 papers relating to matters within the responsibility of the oversight  
12 council; and

13 (3) conduct investigations, studies, and analyses necessary  
14 to enable the oversight council to carry out its duties under (a) of  
15 this section; and

16 (4) appoint advisory panels in specialized areas to include  
17 representatives of appropriate groups such as state and municipal  
18 regulatory agencies, oil spill prevention and response authorities,  
19 fishing and environmental groups, residents of areas of risk, scien-  
20 tists, and shippers and owners of oil and other hazardous substances  
21 produced or transported in the state.

22 Sec. 24.20.620. COOPERATION BY STATE AGENCIES. Each agency of  
23 the executive branch of state government shall, to the extent permit-  
24 ted by state or federal law, cooperate fully with the oversight coun-  
25 cil by providing information and assistance, including disclosure of  
26 records relating to the agency's enforcement of laws and regulations  
27 for the prevention of and response to releases of oil and other haz-  
28 ardous substances.

29 Sec. 24.20.630. DEFINITIONS. In AS 24.20.600 - 24.20.630,

1 (1) "hazardous substance" has the meaning given in AS 46.-  
2 08.900;

3 (2) "oil" has the meaning given in AS 46.08.900; and

4 (3) "oversight council" means the Citizens' Oversight  
5 Council on Oil and Other Hazardous Substances.

6 \* Sec. 3. AS 46.08.040 is amended by adding a new subsection to read:

7 (b) Upon a request from the Alaska Legislative Council, the  
8 commissioner shall use money from the fund to reimburse the Alaska  
9 Legislative Council for expenditures that it makes for the operation  
10 of the Citizens' Oversight Council on Oil and Other Hazardous Sub-  
11 stances, established under AS 24.20.600.

12 \* Sec. 4. INITIAL APPOINTMENTS. Notwithstanding AS 24.20.600(c), as  
13 enacted by sec. 2 of this Act, one initial member of the Citizens' Over-  
14 sight Council on Oil and Other Hazardous Substances shall be appointed to a  
15 term of one year, one initial member shall be appointed to a term of two  
16 years, one initial member shall be appointed to a term of three years, and  
17 two initial members shall be appointed to terms of four years. The members  
18 appointed to terms of one and two years are eligible to serve two full  
19 terms following the completion of their initial shortened terms.  
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5/8/90

HB 578 - "An Act creating a citizen's oversight council on oil and other hazardous substances; and authorizing funding of the council through the oil and hazardous substance release response fund."

HB 578 AS PASSED BY THE HOUSE

Members of the Citizens' Oversight Council on Oil and Other Hazardous Substances cannot be:

- Employed by the state.
- Engaged in production, transport, or storage of oil and hazardous substances.
- An elected official for the state or a political subdivision.
- An independent contractor for someone engaged in production, transport, or storage of oil and hazardous substances.
- An independent contractor for a state agency that regulates production, transport, or storage of oil and hazardous substances.

Appointments made by the Alaska Legislative Council from people who have an interest in and commitment to preventing oil and hazardous substance releases.

SENATE RESOURCES CS FOR HB 578

No restrictions on membership on the Oversight Council.

Appointments made by the Alaska Legislative Council from people who have an interest in and commitment to preventing oil and hazardous substance releases.

NEW PROPOSED CS FOR HB 578

Members of the Citizens' Oversight Council on Oil and Other Hazardous Substances cannot be:

- Independent contractors for or employed by federal, state or municipal agencies directly or indirectly involved in oversight or regulation of industries engaged in production, transport, or storage of oil or other hazardous substances.
- An elected official of the state or a political subdivision.
- Work as an independent contractor or be employed in the production, transport, or storage of oil and hazardous substances.

Appointments made by the Alaska Legislative Council from people who have an interest in and commitment to preventing oil and hazardous substance releases.